

# R. Forsythe, J. Horowitz, N. Savin et M. Sefton (1994), "Fairness in Simple Bargaining Games", Games and Economic Behavior

## INSTRUCTIONS TO THE PLAYERS

In the instructions presented below, differences in language corresponding to different treatments are indicated in brackets. The treatment is shown in boldface. The instructions are for games with \$5 pies. The obvious changes were made in the instructions for the experiments with \$10 pies.

### *Instructions*

You have been asked to participate in an economics experiment. For your participation today we will pay you \$3 in cash at the end of the experiment.

**[Pay:** You may earn an additional amount of money, which will also be paid to you in cash at the end of the experiment.]

In this experiment each of you will be paired with a different person who is in another room. You will not be told who these people are either during or after the experiment, and they will not be told who you are either during or after the experiment.

You will notice that there are other people in the same room with you who are also participating in the experiment. You will not be paired with any of these people. The decisions that they make will have absolutely no effect on you nor will any of our decision affect them.

The experiment is conducted as follows: A sum of \$5 has been provisionally allocated to each pair and the person in Room A can propose how much of this each person is to receive. To do this, the person in Room A must fill a form titled "Proposal Form".

**[Ultimatum:** You will find a copy of this form on the desk in front of you. The first line of this form tells you your identification number (if you are in Room A) or the identification number of the person you are paired with (if you are in Room B). The identification number of the person you are paired with (if you are in Room A) or your identification number (if you are in room B) is on line {2}. The amount to be divided is on line {3}.)

**[Dictator:** If you are in Room A, you will find two copies of this form on the desk in front of you. The first line of this form tells you your identification number. The identification number of the person you are paired with is on line {2}. The amount to be divided is on line {3}.)

The person in Room A makes the proposal. The proposal consists of an amount the person in Room B is to receive (entered on line {4}) and the amount the person in Room A is to receive is simply the total amount to be divided, \$5, minus the amount the person in Room B is to receive.

If you are in Room A you will have five minutes to come to a decision about your proposal. At the end of five minutes, a buzzer will sound. Do not talk to the other people in your room until your session is completed. Do not be concerned if other people make their decision before you, we will not collect the forms until the buzzer sounds.

**[Dictator:** You should record the same amounts on the other copy of your proposal form. One copy is for you and the other copy will be sent to the person in Room B with whom you are paired.]

**[Ultimatum:** Your proposal form will then be sent to the person in Room B with whom you are paired with.]

**[Ultimatum:** The person in Room B will then be given a chance to accept or reject the proposal. If the person in Room B accepts the proposal, then the amount of money will be divided as specified in the proposal. If the person in Room B rejects the proposal, then both people in the pair receive zero. If the person in Room B wishes to accept the proposal, he or she should check "Accept" on line {6} of the proposal form. If the person in Room B does not wish to accept the proposal he or she should check "Reject" on line {6} of the proposal form.]

**[Ultimatum:** If you are in Room B you will have five minutes to come to a decision about whether to accept or reject. At the end of the five minutes, a buzzer will sound. Do not talk to the other people in your room until your session is completed. Do not be concerned if other people complete their proposal forms before you, we will not collect them until the buzzer sounds. You should record the same amounts on the other copy of the proposal form. One copy is for your records and the other copy will be sent to the person in Room A with whom you are paired.]

**[Pay:** After the proposal forms have been returned to Room A each person will be paid. Each person will receive \$3 for participating. Each person in Room A will also receive the amount shown on line {5} of his or her proposal form if the proposal was accepted. Each person in Room B will also receive the amount shown on line {4} of the form if the proposal was accepted.]

**[No pay:** After the proposal forms have been returned to Room A each person will be paid. The experimenter will pay you the \$3 for your participation in this experiment.]

Are there any questions?

PROPOSAL FORM

{1} Identification Number      \_\_\_\_\_ A  
{2} Paired with                      \_\_\_\_\_ B  
{3} Amount to divide                      \_\_\_\_\_  
{4} Person in Room B receive                      \_\_\_\_\_  
{5} Person in Room A receive {3}- {4}                      \_\_\_\_\_

[**Ultimatum:** {6} Accept    \_\_\_\_\_                      Reject    \_\_\_\_\_ ]